
Public Utilities Commission of the State of California

Results of Public Agenda 3188

Meeting Held on Thursday, March 1, 2007 10:00 a.m.

San Francisco, California

Commissioners

Michael R. Peevey, President

John A. Bohn

Rachelle B. Chong

Dian M. Grueneich

Timothy Alan Simon

Website: <http://www.cpuc.ca.gov>

Scheduled Commission Meetings

505 Van Ness Avenue, San Francisco

<i>Ratesetting Deliberative Meeting*</i> <i>Room 5305</i> <i>(1:30 p.m.)</i> <i>Closed to the Public</i>	<i>Commission Meeting</i> <i>Auditorium</i> <i>(10 a.m.)</i> <i>Open to the Public</i>
Monday, March 12, 2007 (San Francisco)	Thursday, March 15, 2007 (San Francisco)
Monday, April 02, 2007 (San Francisco)	Thursday, April 12, 2007 (San Francisco)
Monday, April 30, 2007 (San Francisco)	Thursday, May 03, 2007 (San Francisco)
Monday, May 21, 2007 (San Francisco)	Thursday, May 24, 2007 (San Francisco)
Monday, June 04, 2007 (San Francisco)	Thursday, June 07, 2007 (San Francisco)

**Ratesetting Deliberative Meeting dates are reserved as noted but will be held only if there are ratesetting matters to be considered and a Commissioner has requested that a Ratesetting Deliberative Meeting be held.*

For further information contact the Public Advisor
(415) 703-2074 E-mail: public.advisor@cpuc.ca.gov



This location is accessible to people with disabilities. If specialized accommodations for the disabled are needed, e.g. sign language interpreters, please call the Public Advisor at (415) 703-2074 or TTY# (415) 703-5282 or toll free # 1-866-836-7825 three business days in advance of the meeting.

PUBLIC COMMENT

The following items are not subject to public comment:

- All items on the closed session agenda; these are HEX and EX items.
-

Public Comment:

Re 20:

Alexis Upton-Knittle, Leona Valley, CA

Alice Wollman, Leona Valley, CA

Ron Howell, Bouquet Canyon Homeowners Assn., Santa Clarita, CA

Sherry Howell, Bouquet Canyon Homeowners Assn., Santa Clarita, CA

Consent Agenda

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each Commission meeting. Items may be removed from the Consent Agenda for discussion on the Regular Agenda at the request of any Commissioner prior to the meeting.

Orders and Resolutions

1

Res TL-19085

[6343]

This resolution approves issuance of charter-party carrier certificates pursuant to Section 5374(b) of the Public Utilities Code.

Outcome Approved

Res TL-19085

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

2

Res ALJ 176-3188

[6342]

Ratification of preliminary determination of category for proceedings initiated by application. The preliminary determinations are pursuant to Rule 7.1 of the Commission's Rules of Practice and Procedure.

Outcome Approved

Res ALJ 176-3188

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

3

[6254]

Res W-4630

This resolution affirms Water Division's ministerial disposition of Alisal Water Corporation - Salinas District's Advice Letter No. 107 for expansion of service area contiguous to the existing service area map.

(Exam Coughlan)

Agenda 3186, Item 5 1/25/2007 (Bohn);

Agenda 3187, Item 4 2/15/2007 (Peevey)

Outcome Held (3/15/07, Consent Agenda.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

4

[6328]

A06-11-004 - Mountain Utilities.

For authority to issue evidence of indebtedness and to grant security interest in assets as security therefore in order to refinance existing debt and to provide additional debt capital for investment into additional assets. This decision grants the relief sought to enter into a secured \$4,000,000 long-term loan and secure a \$1,500,000 line of credit to lease equipment, both subject to certain limitations. The authority is exempt from competitive bidding requirements. Applicant must comply with any applicable environmental and other discretionary permitting processes before proceeding with capital projects financed using the proceeds obtained under this authority. This proceeding is closed.

(Comr Bohn - ALJ Long)

Agenda 3187, Item 21 2/15/2007 (Thomas)

Outcome Signed

[D07-03-001](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

5

[6339]

A01-06-039 - San Diego Gas & Electric Company.

This proceeding is to be closed because all remaining issues are to be addressed in R06-07-010. This proceeding is closed.

(Comr Peevey - ALJ Wong)

Outcome Signed

[D07-03-002](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

6

[6340]

A01-06-044 - Southern California Edison Company.

This proceeding is to be closed because all remaining issues are to be addressed in R06-07-010. This proceeding is closed.

(Comr Peevey - ALJ Wong)

Outcome Signed[D07-03-003](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

7

[6355]

R93-04-003 - Rulemaking on the Commission's own motion to govern open access to bottleneck services and establish a framework for network architecture development of dominant carrier networks.

I93-04-002 - Related matters. This decision adopts a settlement agreement resolving outstanding issues related to the rates charged by AT&T California (AT&T) for collocation services to competitive local exchange carriers (CLECs). The settlement would make permanent the rates previously paid by CLECs for AT&T's collocation services and would permit CLECs to opt for lower tariffed rates going forward, which would remain in effect for three years. The settlement does not apply to Verizon.

(Comr Peevey - ALJ Malcolm)

Agenda 3187, Item 30 2/15/2007 (Staff)

Outcome Signed[D07-03-004](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

8

[6366]

Res T-17071

This resolution adopts a surcharge rate decrease from 1.29% to 1.15% for the Universal Lifeline Telephone Service Trust Administrative Committee Fund effective April 1, 2007.

Outcome Approved

Res T-17071

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

9

[6367]

Res T-17072

This resolution adopts a surcharge rate increase from 0.05% to 0.37% for the Deaf and Disabled Telecommunications Program Administrative Committee Fund effective April 1, 2007.

Outcome Approved[Res T-17072](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

10

[6368]

Res T-17078

This resolution adopts a surcharge rate decrease from 2.00% to 1.30% for the California High Cost Fund-B Administrative Committee Fund effective April 1, 2007.

Outcome Approved[Res T-17078](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

11

[6370]

A06-07-005 - Southern California Edison Company (SCE).

Opinion approving settlement between SCE and Bonneville Power Administration. This proceeding is closed.

(Comr Peevey - ALJ DeBerry)

Outcome Signed[D07-03-005](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

12

[6372]

A06-07-028 - Southern California Gas Company (SoCalGas).

This decision grants approval of a long-term gas transportation agreement between Taft Production Company, a subsidiary of Oil-Dri Corporation, and SoCalGas. This proceeding is closed.

(Comr Grueneich - ALJ Thomas)

Agenda 3187, Item 36 2/15/2007 (Staff)

Outcome Held (3/15/07, Consent Agenda. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

13

[6379]

A06-10-019 - MCC Telephony of the West, Inc. (MCC).

This decision grants MCC a certificate of public convenience and necessity under Pub. Util. Code §1001 for authority to provide limited facilities-based and resold local exchange and interexchange telecommunications services. This proceeding is closed.

(Comr Chong - ALJ O'Donnell)

Outcome Signed

[D07-03-006](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

14

[6383]

C06-03-013 - Pacific Bell Telephone Company vs. Fones4All Corporation.

This decision extends by 120 days the original 12-month deadline set forth in Public Utilities Code Section 1701.2(d) for resolving complaints such as this.

(Comr Chong - ALJ Malcolm)

Outcome Signed

D07-03-007

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

15

[6385]

Res ALJ 199

This resolution approves the change in preliminary determinations made earlier by the Commission regarding the need for hearing in Application (A.) 06-09-016 and A.06-09-021 pursuant to Rule 7.5.

Outcome Approved

[Res ALJ 199](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

-
- 16**
[6388] **A04-08-041 - SBC Advanced Solutions, Inc. (SBC ASI).**
This decision grants SBC ASI's application pursuant to Public Utilities Code Section 853(b) and exempts SBC ASI from the requirements of Section 851 with respect to the transfer by SBC ASI of certain Local Field Organization assets, primarily trucks, test kits, and certain leases relating to garage space, to its affiliate, Pacific Bell Telephone Company, doing business as SBC California. This proceeding is closed.
(Comr Peevey - ALJ Reed)
Outcome Signed
[D07-03-008](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 17**
[6402] **A05-08-022 - Pacific Gas & Electric Company (PG&E).**
The Commission grants PG&E's request for a permit to construct a three-bank 230/21 kV substation in the City of Antioch in eastern Contra Costa County, consistent with the Final Mitigated Negative Declaration prepared pursuant to the California Environmental Quality Act. A05-08-022 is closed.
(Comr Peevey - ALJ Allen)
Outcome Signed
[D07-03-009](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
- 18**
[6404] **A05-06-018 - Sierra Pacific Power Company (Sierra).**
For general rate relief and authority to increase its electric rates and charges for electrical service. This decision awards The Utility Reform Network (TURN) \$12,781.04 in compensation for its substantial contributions to D06-08-024. A05-06-018 is closed.
(Comr Bohn - ALJ McKenzie)
Outcome Signed
[D07-03-010](#)
Yes: (Bohn, Chong, Grueneich, Peevey, Simon)
No: (none)
Abstain: (none)
Absent: (none)
-

19

[6405]

R05-12-013 - Order Instituting Rulemaking to Consider Refinements to and Further Development of the Commission's Resource Adequacy Requirements Program.

This decision awards The Utility Reform Network \$152,349.06 in compensation for their substantial contributions to Decision D06-06-064 and D06-07-031, and Aglet Consumer Alliance \$19,207.44 in compensation for their substantial contributions to D06-06-064. Both awards represent decreases from the amounts requested.

R05-12-013 remains open.

(Comr Peevey - ALJ Wetzell)

Outcome Signed[D07-03-011](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Regular Agenda

Energy Orders

20

[6354]

A04-12-007 - Southern California Edison Company (SCE).

This decision grants a certificate of public convenience and necessity to SCE to construct the Antelope-Pardee transmission line project to be located in Los Angeles County, California. This line is needed to expand access to potential windpower development in the Tehachapi area. Recently, SCE signed contracts for more than 1,500 megawatts (MWs) of installed wind capacity in the Tehachapi area. Altogether, the California Independent System Operator's queue for projects seeking to interconnect near Tehachapi exceeds 4,000 MWs. The Antelope-Pardee Transmission Line would include the construction of a new 25.6-mile, 500 kilovolt (kV) transmission line to connect SCE's existing Antelope Substation, located in Lancaster, with SCE's existing Pardee Substation, located in Santa Clarita. Initially, the transmission line would be energized at 220 kV. The project would also include an expansion of the Antelope substation and the relocation of several existing 66 kV transmission lines in the vicinity of the Antelope substation. The Antelope-Pardee 500 kV Transmission Line project is also referred to as "Segment 1 of the Antelope Transmission Project" or "Phase 1 of the Tehachapi upgrades."

This proceeding is closed.

(Comr Grueneich - ALJ Minkin)

Outcome Signed

[D07-03-012](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

21

[6371]

A06-08-011 - Pacific Gas and Electric Company (PG&E).

This decision grants PG&E authority to record up to \$14 million in costs for external consultants to prepare a study to evaluate the feasibility of obtaining wind-generated and other renewable electric power from various regions in British Columbia, Canada (BC Renewable Study). The decision modifies and then approves the general scope of the study while deferring to PG&E the responsibility to prudently manage and direct the detailed feasibility analysis. PG&E will record the study costs in a new BC Renewable Study Balancing Account and may seek recovery of the costs in a subsequent reasonableness review proceeding upon completion of the study. This proceeding is closed.

(Comr Peevey - ALJ Long)

Outcome Signed

[D07-03-013](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Energy Resolutions and Written Reports**22 Res E-4029 - Pacific Gas and Electric Company (PG&E).**

[6322] This resolution approves with modifications PG&E's proposal to offer an optional service to selected irrigation districts and water agencies to distribute the proceeds of the agency's hydroelectric power sales via bill credits to PG&E's electric customers within the agency's jurisdictional boundaries.

(Advice Letter 2834-E, filed May 25, 2006)

Agenda 3187, Item 44 2/15/2007 (Staff)

Outcome Withdrawn

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

23 Res G-3396 - Southern California Gas Company.

[6363] This resolution, in compliance with D06-09-039, approves with modification SoCalGas' proposal to offer tradeable capacity rights on its local transmission system as well as revisions to certain terms related to local transmission open season commitments and expansions. (Advice Letter 3684, filed November 22, 2006)

Outcome Approved

Res G-3396

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Telecommunication Orders**24**

[6270]

C05-11-011 - Utility Consumers' Action Network vs. SBC Communications, Inc., dba Pacific Bell Telephone Company, and related entities.

C05-11-012 - Related matters. This decision determines that an agent of AT&T California (AT&T) and an agent and attorney of Cox Communications (Cox) engaged in impermissible ex parte communications with personal advisors of three Commission offices with the intent of influencing substantive issues in pending adjudications (where ex parte bans had been imposed). This decision determines that, in violation of the Public Utilities Code and our Rules of Practice and Procedure, impermissible ex parte violations have occurred and the Commission should impose sanctions including a fine of \$40,000 each against AT&T and Cox.

(Comr Bohn - ALJ Thorson)

Agenda 3186, Item 37 1/25/2007 (Peevey);

Agenda 3187, Item 49 2/15/2007 (Bohn)

Outcome Held (4/12/07. Further review.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

25

[6325]

R06-10-005 - Rulemaking for adoption of a general order and procedures to implement the Digital Infrastructure and Video Competition Act of 2006.

This decision adopts a General Order and establishes procedures for implementing the Digital Infrastructure and Video Competition Act of 2006, Assembly Bill 2987 (Ch. 700, Stats. 2006).

(Comr Chong - ALJ Sullivan)

Agenda 3187, Item 50 2/15/2007 (Staff)

Outcome Signed

[D07-03-014](#)

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

Water/Sewer Orders**26**

[6359]

A05-08-021 - San Gabriel Valley Water Company, Fontana Division (San Gabriel).

I06-03-001 - Related matters. In D04-07-034, San Gabriel was authorized to increase rates subject to refund depending on our decision in this application regarding the allocation between ratepayers and shareholders of the gains from sales of property, condemnation awards, contamination awards, and inverse condemnation awards. This case finds that San Gabriel misapplied Pub. Util. Code §790 and as a consequence appropriated \$6,672,371 of money which should have been allocated to ratepayers. To rectify this misappropriation and punish for affiliate transaction violations, the Commission in this decision has reduced rates by \$2,128,800 in Test Year 2006-2007; reduced rate base as of July 17, 2004 by \$4,054,100; refunded to ratepayers \$1,481,100; and fined San Gabriel \$40,000.

A05-08-021 and I06-03-001 are closed.

(Comr Bohn - ALJ Barnett)

Outcome Held (3/15/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

26a

[6360]

ALTERNATE TO ITEM 6359

I06-03-001 - Related matters. D04-07-034 authorized San Gabriel Valley Water Company (San Gabriel) to increase rates subject to refund depending on the allocation between ratepayers and shareholders from the sales of property, condemnation awards, and inverse condemnation awards. This decision finds that Pub. Util. Code Section 790 should not be applied with respect to the proceeds San Gabriel received related to compensation for contamination and as a consequence San Gabriel retained \$1,570,421 which should have been allocated to ratepayers. To rectify this, the alternate decision has reduced ratebase by \$1,570,421 and recomputed rates back to July 17, 2004, resulting in a minimum refund of \$719,100. Allocation of other sales and awards is deferred pending resolution in R04-09-003. San Gabriel is ordered to pay a fine of \$60,000 for affiliate transaction violations.

(Comr Bohn)

Outcome Held (3/15/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Legal Division Matters**27**

[6320]

Res L-341

This proposed resolution modifies existing Res. L-318 to conform it to the new provisions and modifications of the Public Utilities Code that arose out of the passage of Assembly Bill (AB) 2220, (Chapter 763, Statutes of 2006). Existing procedures allow the Commission's Executive Director to suspend or revoke the operating authority of household goods carriers if the carrier or one of its officers is convicted of certain categories of felonies. AB 2220 expands the number of offenses for which suspension or revocation is merited including various forms of fraud or dishonesty. The statute also allows the Executive Director to act in the event the carrier or an officer of the carrier pleads nolo contendere to one of the named offenses.

Outcome Approved

Res L-341

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

28

[6406]

U.S. Supreme Court Docket #06A621

I02-06-003 - Related matters. Cingular Wireless, LLC v. California Public Utilities Commission, U.S. Supreme Court, Docket #06A621. I02-06-003, investigation into the practices of Cingular Wireless (including Early Termination Fee).

Outcome Held (3/15/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Management Reports and Resolutions**29**

[6285]

Executive Director Larson Report

Update on Clean Energy Fund activities.

Agenda 3186, Item 39 1/25/2007 (Staff)

Outcome Held (5/3/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

30

[6390]

Executive Director Larson Report

Update from California Independent System Operator.

Outcome Information Only

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

Closed Session

This notice is furnished under Government Code Sections 11125 and 11126.3. The Commission will meet in Closed Session following the Public Session of its regularly scheduled meeting. In the Closed Session, the Commission may consider personnel matters as provided under Government Code Section 11126(a), institution of proceedings or disciplinary actions against any person or entity under the jurisdiction of the Commission as provided under Government Code Sections 11126(d)(2) and 11126(e)(2)(C)(i), and pending litigation as provided under Government Code Section 11126(e). Additional items may be added to the closed session agenda pursuant to Gov. Code Section 11126.3(d). If in Closed Session the Commission votes to appoint, employ, or dismiss a public employee, the Commission will thereafter reconvene in Open Session to make the

Applications for Rehearing

32

[6389]

R04-04-003 - Conference with Legal Counsel - Application for Rehearing

Disposition of Application for Rehearing of Decision (D) 06-12-037 (Decision) filed by Californians for Renewable Energy, Inc. (CARE). The Decision addresses three petitions for modification of D05-10-042, and adopts certain modifications that decision. The modifications further refine the qualifying standards and resource counting conventions used to determine whether electric power resources and/or associated wholesale contracts are deemed eligible toward achieving the established Resource Adequacy procurement requirements.

Outcome Signed

D07-03-015

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

33

[6391]

R05-06-040 - Conference with Legal Counsel - Application for Rehearing.

Disposition of applications for rehearing of Decision D06-06-066, by the Cogeneration Association of California and the Energy Producers and Users Coalition (collectively, CAC/EPUC), and The Utility Reform Network (TURN). D06-06-066 is an interim decision. SB 1488 requires the Commission to examine its practices with respect to the requirements of the California Public Records Act (CPRA) and Public Utilities Code Section 454.5 subdivision (g), and Section 583. D06-06-066 adopts two matrices that are applicable to all information claimed to be confidential and submitted by entities subject to the Commission's jurisdiction. It also determines that confidential market sensitive information is generally confidential for about a three year period and it adopts a procedure that ensures the confidentiality of market sensitive information submitted that is available to certain parties who wish to access confidential market sensitive information.

Outcome Held (3/15/07.)

Yes: (none)

No: (none)

Abstain: (none)

Absent: (none)

34

[6392]

C04-10-024 - Conference with Legal Counsel - Application for Rehearing.

Disposition of Application for Rehearing filed by AT&T Communications of California, Inc. of D06-06-055. This Decision granted a complaint filed by Pac-West Telecomm, Inc. and awarded it \$7.115 million in unpaid tariff charges owed by AT&T.

Outcome Signed

D07-03-016

Yes: (Bohn, Chong, Grueneich, Peevey)

No: (none)

Abstain: (Simon)

Absent: (none)

35

[6393]

A00-11-038 - Conference with Legal Counsel - Application for Rehearing.

A00-11-056; A00-10-028 - Related matters. Disposition of Application for Rehearing of Decision D05-04-049 filed by The Utility Reform Network (TURN). D05-04-049 disposed of TURN's request for compensation for work and costs related to its further participation in the federal district court proceedings, its efforts in the judicial review of D02-06-070, and work associated with TURN's challenge to the Commission's settlement of the Edison lawsuit.

Outcome Signed

D07-03-017

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)

36

[6400]

R06-03-004 - Conference with Legal Counsel - Application for Rehearing.

Disposition of application for rehearing of D06-08-028, filed by Consumer Federation of California in R06-03-004 regarding the California Solar Initiative (CSI). In D06-08-028 the Commission adopted performance-based incentives for payments to qualifying solar photo-voltaic technologies through the CSI and adopted an administrative structure and program design features for implementation of CSI. The Commission stated that it would seek comment and modify D06-08-028 to conform to statutes enacted in Senate Bill 1. (Sen. Bill No. 1 (2005 - 2006 Reg. Sess.).

Outcome Signed

D07-03-018

Yes: (Bohn, Chong, Grueneich, Peevey, Simon)

No: (none)

Abstain: (none)

Absent: (none)